Educational immigrants: Evidence from Chinese young entrepreneurs in the UK

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Educational Immigrants: Evidence from Chinese Young Entrepreneurs in the UK

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ABSTRACT

Purpose: While the contribution of educational students to the economies of developed countries is critical, educational immigrants rarely find employment in the regulated unionized sectors of these countries, and are found instead setting up their own business. This aim of this paper is to understand how educational immigrants utilize their cultural and social heritage for entrepreneurial purposes.

Design/methodology/approach: A qualitative method was undertaken, comprising face-to-face in-depth interviews with 12 respondents, involved in hospitality industry for various purposes such as inspiration, challenges, frustrations and attracting investments. A convenience sampling method coupled with snowball sampling was chosen due to the availability of the informants and their willingness to be a part of the study. A thematic analysis was conducted in the transcripts of interviews to understand the aim and motivation factors of each individual followed by content analysis process.

Findings: Findings reveal that while the informants suffers of language barriers, lack or shortage of experience in understanding the laws and legislations, unfamiliarity with the host culture as well as financial constraints, the entrepreneurial sprite drive them to establish their businesses.

Research limitations/implications: This study has important consequences for understanding how educational immigrants transition from an educational to business setting.

Practical implications: As the increase in educational immigrants becomes more important to the economic and social performance of countries, it is important to understand how young entrepreneurs start their businesses.

Originality/value: Educational immigrants are an important source of regional innovation and development. This article focuses on the role of international higher education and the link to entrepreneurship by focusing on young Chinese entrepreneurs.

Keywords: educational immigrants, hospitality, restaurant, ethnic group, international education
INTRODUCTION

Sociologists and entrepreneurial scholars have recognized ethnic minorities that reside in a middleman role in societies with bifurcated status structures (Reynolds, 1991). Among these are Jewish communities in Europe, as well as Japanese and Chinese communities in the United States (Bonacich, 1973). While Britain is considered to be an ethnically diverse country, with the arrival of new immigrants along with the diversifying tastes of British people and various ethnic groups, international food and restaurants have become commonly available and increasingly popular in the UK foodservice market (Berkeley, Khan, and Ambikaipake, 2006). Since the turn of the millennium, the influx of Chinese students to the UK and their integration to the host culture has facilitated their entrance to the foodservice market and establish a large number of different restaurants. As a result of more sophisticated rules and regulations, British and other ethnic customers’ attitudes toward exotic restaurants, and increasing competition in the restaurant industry from other emerging Asian restaurants, Chinese restaurants can no longer succeed by offering exotic foods at low prices. While Liu and Jang (2009) report the impact of immigrant or ethnic entrepreneurship on the US economy, Hamilton, Dana and Benfell (2008) explore alterations in the daily behavior of Asian entrepreneurs who have migrated to Singapore and the United Kingdom with different distinctive culture and find that these immigrants attempt to establish their business to exploit their ethnic and cultural credibility with likeminded people. With the exception of Ruby, Chau and Yu (2001) who have investigated the social exclusion experienced by Chinese people in Britain, limited research has been conducted regarding the perception of ethnic minority entrepreneurs in the UK economy, especially those who have moved to the UK for educational purposes and decided to stay to establish their own businesses.

The aim of this research is, therefore, to have a better understanding of how Chinese restaurant managers formulate their strategies to survive and sustain their businesses. This research is a response to the recent study (Jones, Ram, Edwards, Kiselinchev, & Muchenje, 2014) regarding the research agenda on ethnic minority business that have arrived in Britain from China. Grounded theory was designed to identify and explicate contextualized social processes of Chinese restaurant managers. The objective of this research is, therefore, to develop a detailed and in-depth understanding of the ethnic Chinese owner managers’ motives for starting new businesses and to learn how they express some concepts in colloquial terms about the challenges that they have faced in the UK. Notably, this research has not been designed to make generalizations about behaviors and characteristics of all Chinese owner managers’ motives for starting new businesses, but rather to listen actively to self-employed Chinese to learn more about their approach to start up business and to record their processes.
Instead of hypothesis testing, a grounded theory approach was employed to collect the information supplied by Chinese restaurant managers. Instead of developing any hypothesis, a grounded approach was employed to collect the information supplied by educational entrepreneurial immigrants. Grounded approach allows to incorporate the knowledge and experience of the informants (cf. Tajeddini, 2013). To achieve this, a brief of background of the educational immigrant entrepreneurship as a context for study is provided. Then, we scrutinize our observations based on theoretical outline of educational immigrant in the context of hospitality industry. This research is a response to the recent study (Jones, Ram, Edwards, Kiselinchev, & Muchenje, 2014) regarding the research agenda on ethnic minority business that have arrived in Britain from China. Finally, we conclude with a discussion of the implications of the research findings and directions for future research.

**Research Background**

International higher-education is conceived as a lucrative market maintaining to magnetize new players in this growing global competitive environment (Dana, 1993; Dana, 2001; Shinato, Kamei & Dana, 2013). The economic contribution and benefit of international higher-education to developed countries is inevitable. According to the recent published report (http://www.nafsa.org/economicvalue), in 2016/2017, international student education contributed $36.9 billion to the economy of the USA along with generating 450,000 jobs. The same is true in the UK and Australia. While in 2014/2015, international higher-education contributed to the economic benefit of the UK around £25.8 billion and supported 206,600 jobs (Department for Education, 2017), the Australian economy was benefited by $30.8 billion indicating the 36.4% of total services exports. Despite the fact that the greater part of the higher-education market is presently captured by a few developed countries (USA, 19%), UK (10%) and Australia (6%), new contenders such as Japan, Canada, Germany and France are progressively working to increase their market share (Australian Government, 2016). At the same, some emerging economies such as China and India are expanding their international higher education to supply international programs for international students.

Recent pattern of change in the labor demands and markets in the hospitality sectors of developed countries, as a result of increasing migration, raises issues that have been subject to analysis across a range of different disciplines (Baum, 2007). With the rise of migration, there has been a growing influence of international entrepreneurial activities from ethnic groups which include the Indian, Turkish and Chinese in the UK (Crick and Chaudhry, 2013; Zhou, 2004, Wang and Altinay, 2012). Since the turn of the millennium and the arrival of a wave of various migrants from countries,
entrepreneurial scholars have paid more attention to the ethnic minority businesses in different counters such as UK which some call as the Age of Super-diversity (Vertovec, 2007). Over the past half-century, concepts and theories on immigrant or ethnic entrepreneurship, including middleman minority, ethnic enclave, ethnic economy and ethnic niching, have shaped how we understand economic activities in minority communities (Zhou, 2004).

Often times, immigrants are more likely than native-born citizens attempt to establish small businesses in the host countries. For example, recently, Blusstein (2015) reports those immigrants own more than a quarter of the newly established businesses in the USA, despite accounting for less than 15 percent of the total population. Scholarly research on ethnic entrepreneurship has examined the effects of structural opportunities and/or constraints on immigrants’ socioeconomic mobility within a national context in the receiving country (Missens, Dana, & Anderson, 2007). However, transnationalism has now become a key feature of international migration, involving individual migrants, diasporic communities, and national governments in the transnational social fields. These transnational fields are multiple interlocking networks of social relationships that are created by immigrants and their institutions (Portes and Fernandez-Kelly, 2015). Because of variations in the contexts of emigration and immigration, conditions in both the host and home countries can enable or constrain potential entrepreneurs to mobilize resources effectively for their entrepreneurial endeavors. This phenomenon is viewed as occurring within fluid social spaces that are constantly reworked through migrants’ simultaneous embeddedness in more than one society (Saxenian and Sabel, 2008; You and Zhou, forthcoming). For example, advancements in transportation, data exchange and communication over the Internet or extranets and their lowered costs coupled with cultural and economic revolution have enabled individuals not only to migrate abroad for education, professional training, or work, but also to network and collaborate with their home country counterparts far more extensively than was possible in previous eras of international migration. From this perspective, immigrant entrepreneurship is affected not only by unequal access to human capital, social capital, financial capital and cross-border venture capital on the part of the individual, but also by differences in broader structural circumstances in the host country and/or home country and transnational forces. Thus, a broader lens offers a more comprehensive perspective on ethnic entrepreneurship and allows scholars to explore the dynamisms of self-employment in transnational social fields (Zhou and Liu, 2015).

Previous studies highlight the fact that Chinese immigrants typically set up their own small businesses in their host country (Collins, 2002). In recent years, researchers (e.g., Jogaratnam, 2002; Williams and Tse, 1995) have discussed the relationship between strategy and entrepreneurship which
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provided direction towards entrepreneurial study within hospitality field. In their study of new migrant entrepreneurs in London, Sepulveda, Syrett, and Lyon (2011), examined the influential role of ethnic social capital as a support mechanism for migrant-owned businesses. They find that the absence of long-established communities renders this inapplicable to the newcomers and explanations are better sought in the lightly regulated business environment of the UK, favorable as it is to the ‘arrival and development of an array of new ethnic minority businesses’. Apart from its uncritical acceptance of the notion of a migrant-friendly opportunity structure, this explanatory thrust is refreshing in its interpretation of migrant business by reference to the external context beyond the ethnic sphere. Striking too is these authors’ discovery that, despite the novelty of their geographical and social backgrounds, the newcomers seem to be engaged in the same restricted range of low-value businesses as earlier migrant groups.

Changing trends in immigrant entrepreneurship
Early literature on ethnic entrepreneurship primarily focus on two major types of ethnic economies: middleman-minority entrepreneurship and ethnic-enclave entrepreneurship (Dana, 2007). Middleman-minority entrepreneurs act as intermediaries between dominant-group producers/retailers and minority-group consumers. They are usually concentrated on retail and services at the low end, serving immediate consumer needs in underserviced and disinvested neighborhoods in urban areas plagued with poverty, crime, and social disorganization (Bonacich, 1973; Zhou, 2004). Middleman-minority entrepreneurs share little cultural affinity with their clientele who are non-coethnic group members. They are not connected to the social structures of the communities where their businesses are located. Thus, they are susceptible to interethnic tension and conflict (Min, 1996). In contrast, ethnic-enclave entrepreneurs mainly operate businesses in their own ethnic enclave. Although some businesses are similar to those run by middleman entrepreneurs, the economic activities of enclave entrepreneurs are broader and more diverse, including not only retail and services but also production, and serving not only co-ethnic members but also non-coethnic members of diverse social class statuses living in and out of the enclave.

More importantly, they are tied to the social structures of their ethnic community, bounded by ethnic solidarity and enforceable trust (Portes and Zhou, 1992). Regardless of the type of entrepreneurship, the conventional view is that ethnic entrepreneurs are small business owners who relied on unpaid family labor and cheap immigrant labor to run ethnic food restaurants, low-end groceries and retail shops, liquor stores, and sweatshops (Zhou, 1992). In the past few years, however, drastic changes have been occurred on immigrant entrepreneurship and this phenomenon has been
Past research indicates that the historically less entrepreneurial ethnonational groups have more proclivity towards entrepreneurial spirit, activities and entrepreneurial endeavors in different ethnic groups such as Jewish, Cubans, Chinese, Japanese, Koreans and Middle Easterners (see for example, Bozorgmehr, 1997; Light, 1979; Light and Gold, 2000; Loewen, 1971; Min, 1990; Portes and Bach, 1985; Waldinger, 1986; Zhou, 1992). While Hernan and Hondagneu-Sotelo (2009) examine the Mexican American-controlled gardening industry, Nazareno (2018) shows how Filipinos develop businesses along the lines of their professional employment in the healthcare sector. Retail and service industries have been characterized as immigrant or ethnic businesses with more diversified in type and size. Nazareno (2018) found that immigrant Filipino women nurses and allied health professionals in California have emerged as owners and operators of home health agencies, residential care/assisted living facilities, adult day care centers and home care agencies, catering primarily to the underserved, vulnerable populations. Among service industries, ethnic restaurants, which used to be small and serve quick and inexpensive meals, have now grown to include a wider array of choices from inexpensive take-outs and buffet-style restaurants, to exotic eating places and extravagant fine-dining restaurants (Hsu, 2008; Liu and Lin, 2009). Other personal or professional services also tend to be diversified, ranging from basic to comprehensive with different price ranges. Third, immigrant or ethnic businesses have now become incorporated into the local economy. Many manage to “break out” of the ethnic boundaries and spread out to middle-class urban and suburban communities beyond ethnic enclaves (Engelen, 2001). For example, Xi’an Famous Foods, a popular New York City-based Chinese fast food restaurant, began from a small fast food takeout in Flushing, New York’s second Chinatown, and was later expanded into other Chinese enclaves, including Manhattan’s old Chinatown, and then into ten other poor and affluent communities across the city (Shao, 2013). Panda Express, which started as a Los Angeles-based family business, has now grown into a $2 billion restaurant chain with more than 250,000 employees working in over 2,000 restaurants across the USA and in Canada, Mexico, South Korea, and the United Arab Emirates. Some ethnic restaurants joined the mainstream economy from the very beginning. Café China, the only Michelin-starred Chinese-owned restaurant in New York City, served an exclusive clientele in one of the more expensive neighborhoods in the City (Wells, 2012). Fourth, new immigrant or ethnic businesses, which were historically beyond the imagination and reach of immigrant entrepreneurs, have sprung up in primary market sectors of the main stream economy, which is rapidly globalized. The capital- and knowledge-intensive industries are prime examples. Silicon Valley in California, Route 128
technological corridor in Boston, and the Triangle – R&D in technology, telecommunications and pharmaceuticals – in North Carolina are all well-known (Saxenian, 1994; Porter, 2001).

Like other studies, ethnic entrepreneurship studies have their own temporal or historical dimension, which is usually invisible but cannot go ignored. When Light (1972) conducted the comparative research on entrepreneurs of various ethnic groups for his seminal work in the 1970s, Chinese entrepreneurs very likely had no connection with their home country as it shut the door to the outside world while Korean immigrants, many of whom were beneficiaries of the early economic booms of a relatively poor country at the moment, flocked to the USA and downwardly assimilated to the mainstream society through entrepreneurship. These entrepreneurs would not have been able to predict the impending changes brought forth by worldwide economic restructuring and globalization policies.

The situation has changed from 2008-2018 in the UK and Europe, considering China has become the economic superpower and the biggest outbound tourists country (WTO 2018). Consumption levels of Chinese tourists are much higher in the UK compared with that of European tourists. In addition, businesses owned by immigrant or ethnic group members today are more transnational than ever before. The phenomenon of the “argonauts” or “transmigrants” is a case in point.

**The impacts of international students on local economy**

The globalization of markets and societies has increased the number of students enrolled in tertiary education outside their country of residence. In fact, in 2011, nearly 4.3 million students were mobile worldwide, an amount that more than doubled the number of foreign tertiary students enrolled in 2000, with an average annual growth rate of almost 7% (OECD, 2013). If this progression continues in the coming years, the number of international students (IS) in higher education institutions could reach 7.2 million by 2025 (Böhm et al., 2002). The size of this market and its growth represent a potential opportunity for regional universities and the tourism industry, as a proportion of these students can be considered as inbound tourists and can facilitate the arrival of new visitors (friends and family). A large number of migrants in the UK, Australia and Canada are educational migrants and some of them stay in the host countries after completing their studies (López, Fernández, and Incera, 2016). The Migration Advisory Committee, which recommends the British government independent advice on immigration, conducted a study, commissioned by the Home Office in August 2017, reported that there should continue to be no cap on international student numbers - and that they have brought in extra money, skills and "soft power" to the UK (Coughlan, 2018). The report states there are more than 750,000 international students coming to the UK each year - a mix that includes undergraduate and postgraduate
university students, further education, private school and language students on short courses, some of whom might move on to obtain work visas (Coughlan, 2018). According to Hajela and Sumption (2017), in the 2015-16 academic year, 19% of students enrolled in UK higher education institutions (HEIs) were domiciled outside of the UK. Non-EU students made up nearly 14% or 310,600 of those enrolled. EU students made up the remaining 6% or 127,400. The total number of non-EU students enrolled at higher education institutions has more than tripled since 1994, when the data was first recorded (HESA, 2016). Growth in non-EU student enrolment slowed 2010-11 onwards. The number of non-EU students enrolled at HEIs increased by 5% between 2010-11 and 2015-16. This compares to a 24% increase during the 2006-7 to 2010-11 period. London Economics (News & Star, 2018) has reported the financial contribution of international students, such as tuition and living spending, and balanced that against costs, including the extra pressure on local public services provides wide-ranging evidence that internationals students are a substantial benefit to the local economies. Moreover, students from outside the European Union, who pay higher fees, are worth roughly £102,000 each to the UK economy (Coughlan, 2018). This report also shows international students bring economic benefits to the UK that are worth 10 times the costs of hosting them (News & Star, 2018). The Higher Education Policy Institute analysis also carried out a regional breakdown of the economic impact of international students, calculating that each constituency on average gained £31.3m (Migration Advisory Committee, 2018).

While London has the biggest share of international students, the study shows that in relative terms, smaller cities, with more than one university, can have a greater impact from their spending (News & Star, 2018). Sheffield is rated the No.1 city with the most international students' economic impacts (Migration Advisory Committee, 2018; Coughlan, 2018). It is the reason that why the researchers choose Sheffield to do the primary data collection as the major impacts of international students.

The localization of Chinese businesses

The out-migration of the Chinese and their subsequent settlement overseas beginning in the early 1500s was mediated either through European colonial labor procurement, or through the independent efforts of individuals drawn to the promise of fortunes to be made in mining and other endeavors in the Americas, Australasia, and Southeast Asia. Chinese immigration to the Caribbean, Central and Latin America occurred in three major periods (Lai 2010, 2): first, the early colonial period (pre-19th century) during which Chinese/Asian migrants arrived on galleons and other ships servicing the Manila-Acapulco trade route; second, the targeted recruitment of more than seven million indentured Chinese workers to various European colonies around the globe throughout the 19th and early 20th centuries (Lai 2010); and
since the 1980s a “renewed” immigration of Chinese from the People’s Republic of China (PRC). The post-1980 PRC Chinese immigration to Central America is a relatively new subject matter of scholarly research (Lai and Tan 2010).

Localization was originally used to describe the process through which imported products were modified in their content, form of utilization or purpose which resulted in the successful acceptance by local consumers. The use of cognac at Chinese banquets in Hong Kong, the mixing of cognac with tea or soda drinks by Chinese consumers, and the innovative creation of chop Suey, egg rolls and ginger beef in Canadian Chinese cuisine are examples of localization (Smart 1999, 2004, 2005). In a broader sense, localization can be conceptualized as a constructive process of modification in an effort to support a working compromise between two or more different cultural realities. A Chinese business in a non-Chinese country must address the consumer needs and normative mode of business conduct that are expected and meaningful in local contexts, while at the same time retain selected cultural competency and practices that enhance economic success. Localization is a necessary process no matter how small in order to succeed in business within or outside one’s own cultural milieu. China’s new prominence as the second largest economy by purchasing power has made an understanding of the nature of its business operations of increasing importance. The Chinese idea of guanxi (connection) is important for doing business in or with China. Yet we know very little about how guanxi affects economic cooperation between Chinese and Latin Americans, or other non-Chinese business practitioners. Hearn, Smart and Hernandez (2011) explored how Chinese investors adapted guanxi to the Mexican business environment, using Mexico-based Chinese immigrants and descendants to broker bilateral projects. Chinese entrepreneurs have profited from personal connections with Chinese-Mexican industry counterparts, and the Chinese Associations established themselves as indispensable intermediaries between suppliers, distributors, and investors. Critics argue incorporating Mexicans of Chinese descent into networks exposed them to accusations of disloyalty. More effective cultural tactics might involve including Mexicans of non-Chinese descent in guanxi networks, or adapting Mexican cultural practices and institutions for similar outcomes. Resources for such efforts could include the Mexican tradition of fictive kinship, compadrazgo, or the use of locally-appropriate forms of banqueting and the exchange of gifts and favors to build local reciprocal relations. Forming cross-cultural relationships to ease tensions is important, but as yet we know very little about this. Cultural insensitivity is not an advantage for Chinese investors and traders in Latin America, but sensitive localization might be.

Western corporations have been able to insist that their business partners abroad conform to their home business practices. This tendency has been intensified by the rise of anti-corruption campaigns
since 1997, which constrain corporate adaptation to what are seen as corrupt local expectations by governments and companies. This ability to export rules of the game has been restricted primarily to American and Western European corporations, although Japan could do this as well. Even large companies in poor countries have had less ability to make their foreign partners conform to their practices.

Small Chinese investors cannot usually impose ground rules, except perhaps to some degree with even smaller local business partners. However, it is possible that the broader shift towards Chinese influence may have an indirect effect. It might create business conditions more amenable to their ways of doing business. Most studies of overseas Chinese focus on the co-ethnic social arena, with less attention to inter-ethnic cultural dynamics. The dangers of such methodological bias can be seen in a description of the Chinese business landscape in Panama:

"...Established Chinese merchants often sent for relatives in China to work as their employees. Their familial ties, bound by cultural expectations and disciplinary codes, helped reinforce their business relations and mutual support. The recent immigrants were often sent to new territories to help expand the merchants' distribution. Once the immigrants had accumulated enough capital of their own, they would set up their own kiosks, and later small shops, in these new areas. Chinese business practices were learned and passed on as a cultural tradition through informal apprenticeship, and as the recent immigrants became retailers, the original retailers became wholesalers" (Siu 2005, 118).

The reach of Chinese immigrant entrepreneurship and investments in Central America goes beyond the grocery sector to include hospitality business, such as hotels, restaurants and hostels and other services retails such as the fiesta sector (party supplies and gifts), department stores and wholesale (Smart and Smart, 2015). Ethnicity and immigration status may play a role in entrepreneurship and innovation, yet the impact of university entrepreneurship education on this relationship is under-explored. This paper examines the persistence and differences in entrepreneurship by ethnicity and nationality.

Methods

Qualitative research, using some in depth semi structured interviews, has been employed to focus on discovering true inner meanings and new insights. This approach allows to grasp the social embeddedness of the informants and has a better understanding of the challenges, strategies, careers and the way that they build their capabilities through networks, higher education and interaction with other actors including small and medium enterprises (SMEs) and indigenous firms that support the outward
push to host markets. The restaurant sector was selected in order to retain a certain internal homogeneity (Tajeddini, 2014). Data were collected through in-depth interviews which took place on premises. Each semi-structured interview minutes was formal, starting with general questions about educational background and motivations for choosing UK to study and plausible reasons inclining toward self employment and to start up a hospitality business.

Despite the shortcomings of a convenience sample, this approach along with snowball sampling was chosen due to the availability of the informants and their willingness to be a part of the study. Two main criteria were set for the Chinese restaurants in convenience sampling; (1) Chinese self-employed who have independently owned (started) a hospitality business with age group of between 25 to 45 years and (2) have gained their higher education degree in the UK. Sheffield and Manchester were selected to collect the data since they host a large number of potential informants. Although 25 informants were identified to fit to the required criteria of the research, only 12 of them granted permission for data collection. In-depth interviews employing a semi-structured protocol were performed by two trained and experienced interviewers.

While all interviews were digitally recorded for information accuracy and later transcribed and entered into NVivo software for content analysis, they were also documented in detail through note-taking, with special attention paid to key quotations that demonstrate different characteristics of the subject. The notes were immediately transcribed into transcripts for maximum comparability (Tajeddini and Muller, 2012). A thematic analysis was afterwards performed in the transcripts of interviews to understand the aim and motivation factors of each individual. The interviews ranged in length from 50 to 90 minutes, and were conducted over a six month period. All responses were confined to the informants’ actual and practical experiences involving restaurant business creation in the UK.

To formalize the data collection procedure, we followed the six-step process for structuring the interview recommended by Lucas (2005). The interviewees were asked to share their stories and motives behind becoming independent entrepreneurs and characteristics of their businesses, and future plans and strategies. The questions were aimed at understanding the impact of higher education, the relevance of their degree with their businesses, as well as what type of difficulties they have faced as members of an underrepresented group.

All interviews took place on restaurant premises starting with some general questions about the professional background of the informants, the personality of the restaurant and a brief description of target customers. A list of typical questions was disseminated to the interviewees beforehand to allow adequate time for consideration and to establish an atmosphere of trust between interviewers and
Typical questions were: Why have you chosen to start business in the UK? What kind of difficulties have you faced in the last few years to establish and run your business? Overall, have you achieved your expected financial and marketing goals? What is the next step? Then informants were requested to bring specific examples of their claims which were discussed in detail and even during the interviews, questions relating to the subject were brought up and continuously revisited. The interviewees were assured of confidentiality of their responses. Saturation was reached after the twelfth interview, with no further data and novel insights being received at that point. As a result of the data analysis, a general list of characteristics was compiled, which could assess motivations and challenges of the respondents. These findings are mainly in line with previous studies, with the most consistently mentioned barriers, difficulties and challenges. Table 1 presents socio-demographic characteristics of the interviewees.

**FINDING AND DISCUSSIONS**

Entrepreneurship is an important key factor behind success of any industry especially hospitality industry and could provide a great link to higher education in the UK. Due to the dynamic and rapidly growth of hospitality industry through the world and changes on customer demands and expectations, innovations by these businesses is vital and they are a major contributors to economic growth. However, entrepreneurs always face various challenges and being a foreigner or belonging to a minority group is not an easy position. These minority groups can be referred to as under-represented. The themes from findings of this study have been highlighted as follows:

*Cultural values and beliefs*

While most participants within this study were considered young, educated and well-travelled, they still hold their cultural values and beliefs as shown through their businesses. An example is that they refrain from speaking about business profit or show how their business is working extremely well. In this regard there are some famous proverbs or sayings in China, "people fear getting famous like pigs fear fattening up for the slaughter"\(^1\) or "the gun always aims for the leading bird"\(^2\). Informant 9 states that,

*We as a business owner we do not like to say we are doing great and how many business we have, the competitors in the Sheffield are growing and lots of other Chinese who came to study here our opening businesses* (Informant9).

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\(^1\) 人怕出名猪怕壮  
\(^2\) 枪打出头鸟
The other factor related to this theme is how customers are able to buy and eat in Chinese restaurants at ease. The lack of language barriers makes it easier for them, especially those who have not lived long in the UK. They are familiar to the tastes as well, and can easily speak with employees and thus trust them "Guanxi" and build a personal relationship. Respondents 10 and 1 noted,

"I have lots of customers that they are students here in Sheffield and they are coming to eat here because they missed home food, other traditional restaurant is Hong Kong style and not a real Chinese" (Informant 10).

"I have customers who coming here and ask me a questions regarding their studies and if I could I will help them cause I have been like them students few years ago" (Informant 1).

Monetary concern

The young and educated Chinese have enthusiasm and great idea to act as an entrepreneur, however the most challenges they are facing are financial. Since they are not residents of the UK, they do not have access to loans or other forms of monetary help from UK banks. Most participants invested in their business with their own money and did not receive help from banks. For this matter they had difficulties meeting their net growth, and during the first year they needed to work every day in order to continue running as a business. Respondents 7 and 10 state,

"It was very difficult first year I eventually was here in the restaurant 24/7, working too hard without any holiday to make sure all goes as plan and if something goes wrong I could act fast. I couldn’t afford to ask for more money from China" (Informant 7).

"Although I have switched to entrepreneur visa but still I couldn’t get any loan from bank and that was very difficult for me but I survived and business doing okay and I didn’t have this problem for second business" (Informant 10).

Employee/labor barrier

Most of these businesses are authentic and need employees who are knowledgeable about ethnic foods. Some of them need to bring their chief from outside the UK and need employees they can trust to not share their information to competitors "Guanxi". However, due to the nature of business, some of these businesses have more Chinese customers and need employees they can communicate with and also speak English. Informant 8 and 12 states,

"We have sometime issues with local employee that they do not have enough knowledge of ethnic/Chinese food and we need to have training for them and after while they will leave and with Chinese
employees they are mostly part timer and student and they will leave after their study finished" (Informant 8).

"Since we have more Chinese customers compare to local we need employees who can talk Chinese and also English, but some of Chinese student they are not good in communication and they cannot make English customer very happy but it is okay with Chinese customer because they can communicate with them in Chinese and build a trust and relationship" (Informant 12).

**Language barrier**

After monetary challenges, language barrier is the second most important challenge that this group of people must face. Although they have lived and studied in the UK for a while, some of them had communication issues and thus it required effort to understand everything necessary for continuing their businesses. Informant 8 and 5 noted,

"I think language barrier made it for me very difficult when I decided to open my business, I didn’t have any problem for written communication but for oral communication sometime my accent made it difficult for other people to understand me or sometimes I was just shy to talk. But now after few years its get easier and I know about the business and what should I do” (Informant 8).

"It was very difficult at first to understand all the rules and regulation of business and language barrier made it difficult to understand and communicate my options, but after being here for many year and have my business all is okay, but still I am foreigner on the eye of local, although now I am British citizen” (Informant 5).

**Understanding the law and regulations as an entrepreneur**

Starting a business always is not an easy move. However, for young ethnic entrepreneurs it is even more difficult since they are not familiar with rules and regulations of the UK and technical parts for changing their visas, and language barrier make this process more time-consuming and tiring. Informant 12,

"Starting of the business was very difficult I get lots of help from my friend who is older than me and have a business in other city for a long time. I couldn’t understand the regulations and was confusing and I met few lawyer to help me to understand how could I change my visa and what I need to do and how to prepare documents” (Informant 12).

In contrast, the findings of this research highlight two broad positive factors that have been stated by respondents. The informants view Sheffield as the heartbeat of UK manufacturing and service firms and remains home to many of the world's most innovative engineering organizations. The geographical situation, Sheffield is seen as of the rapid growing cities in the UK. The city is considered to be one of the safest cities which could attract a large number of international and national students. The situation
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of the Sheffield and Manchester have provided a lot of opportunities for young national and international students to enjoy their life. Informant 4 and 2 state

"I chose this city and will open my other business here as well because the city is a young city with lots of local and international students. They like to eat out and enjoy good food" (Informant 4).

"Local people don’t know the real Chinese food, most of Chinese restaurants in the UK are owned by Hong Kingies people and they food and style of cooking is different. China and Asia has more to offer and new generations of China are looking for good, interesting and modern foods” (Informant 2).

Education plays an important role in immigrants’ lives; those who leave their home country and start their own business in a host country must follow what they have learned, link theory to practice, and try to connect the dots and see opportunities with different eyes. For many of these informants, education in the UK allowed them to combine theory to practice which unlikely possible in many other host countries.

IMPLICATIONS

This study highlights the challenges that Chinese entrepreneurs, as an under-represented community, have faced for opening their own businesses. However, some opportunities for this group have been highlighted as well. How it is important that they have studied business and they know the market and their motivations, innovative mind-sets and their attributes as part of the competitive process in the host country. Young Chinese entrepreneurs are interested in introducing real Chinese food and hospitality to the British as well as meet the needs of huge Chinese student communities, who are well-travelled and have money for leisure time. The rapid change and growth in China and their eating habits is considered an opportunity for this group of entrepreneurs, especially considering the huge number of students living in the city that will help them expand their businesses (Tajeddini et al., 2017). Young Chinese entrepreneurs should have the opportunity to go for training to improve their socio-cultural knowledge, language barriers and becoming familiar to the laws and local legislations. Local council and universities should provide these kinds of trainings to enhance their innovative business plans. Providing legal documents in their native language will help them understand the regulations better and reduce frustration and hostility of host country.

CONCLUSIONS

The objectives of this research was to understand the perception of self employed Chinese restaurant managers regarding their motives to start up ventures in the UK and their competences to run business. It assessed the challenges of twelve restaurants located in large cities of UK which have hosted a large
number of international students and responded to adversity by introducing various issues for the foreign young entrepreneurs. Perceptions of Chinese restaurant managers were explored based on their entrepreneurial spirits and willingness to participate in, and potentially benefit from, this study. Throughout the discussion, this paper attempts to show the relationship between theory and practice in start up business and new business creation. In this regard, we followed a strategic view (Hurley and Hult, 1998; Hult et al., 2005; Tajeddini, 2011; Tajeddini and Trueman, 2008, 2012), by analyzing innovativeness across different service dimensions of task, people, technology and structure of organizations (Leavitt, 1965). The findings are consistent with prior research (Cho and Pucik, 2005; Damanpour, 1996; Gosselin and Bauwen, 2006).

With regard to literature review and the empirical analysis, we could offer the advance possible answers to the research question of this study: how Chinese restaurant managers formulate their strategies to survive and sustain their businesses? The findings of this research highlighted the value of immigration in terms of breaking the persistence in entrepreneurship among certain ethnic groups and promoting potential high-growth entrepreneurship in the United Kingdom. In addition, our findings may have important implications for programs to incorporate immigrant entrepreneurs within their home countries to promote entrepreneurship and help break the persistence of entrepreneurship across generations. Ewert and Baker (2001) mention that higher education distinctively prepares individuals in terms of humanistic and technical aspects. In different academic fields, individuals will grasp different kinds of knowledge which "may act as mediate role" for entrepreneurship opportunities.

The demographic profiles of participants in this study show that ethnic entrepreneurs are more likely to be highly educated young females and males who came to the UK to obtain their dreams. As, Altinay and Wang (2011) state that education and past business experience are the most influential factors for ethnic minorities and their entrepreneurial orientation. The findings of this research emphasize the socio-cultural challenges, namely language barriers, relationship with local cultures, and eating habitual and social structures. To be precise, the language barriers appeared to be the most dominant challenges after financial and legislative challenges within this category. In this regard, Fong et al., (2007) mentions that professional qualifications, language skills and social networks are considered social capital for entrepreneurs. These challenges will reduce the innovative mindset of these young entrepreneurs and make them frustrated. To help entrepreneurs overcome these challenges and provide ease for them, local councils need to provide training programs to meet not only language needs of this group but also to help them to understand the laws and legislations. This can be done by
providing trustworthy lawyers or solicitors and having a copy of all required documents in native language of this underrepresented community.

Finally, despite the valuable contributions of the research, there are some limitations of the present study that offer an agenda for future research. For instance, since it has taken a qualitative method, to establish external reliability, this could be followed by a large-scale survey to explore the entrepreneurial characteristics of the educational immigrants entrepreneurs, the impacts of family business background, the attempts of immigrants people to seek social integration through participation in the private market. Most of the participants in this research were young Chinese immigrants. Therefore, we should exercise some caveat especially in attempting to make generalization the findings across demographic categories, especially ethnic groupings. Future studies should seek greater diversity, strive for greater participation of the less represented groups in this study such as Arab, East European and Asian immigrant entrepreneurs. Future research may consider factors such as system’s characteristics, vendor support, user attitudes and perceptions, personality traits, institutional and other macro environmental factors.

References


Kayhan version 7th February


# Table 1: socio-demographic characteristics of the interviewees

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Length of stay in the UK</th>
<th>Reason to come to the UK</th>
<th>Nature of business</th>
<th>Educational level</th>
<th>Academic major</th>
<th>Plan for future</th>
<th>Age group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business 1 Husband and Wife</td>
<td>11 years</td>
<td>Study at Birmingham University</td>
<td>Authentic Chinese restaurant (5 years) and iced tea/bubble tea and snacks (less than 6 months)</td>
<td>Master</td>
<td>Business management</td>
<td>Currently our focus is to established our brand and then develop another related business possibly in 6 months.</td>
<td>29</td>
</tr>
<tr>
<td>Business 2 Solo (Male)</td>
<td>19 years</td>
<td>Study at Birmingham University</td>
<td>Modern Asian food (Malaysian, Chinese and Korean)</td>
<td>Master</td>
<td>Hospitality management</td>
<td>Our brand is well established in the fine dining restaurant market and our future plan is to open a modern café shop style soon to provide high quality food for lunch/take away to capture the market. Our long term goal is to expand our brand to major cities in the UK. (This new high-end café shop will be launched in March 2019 close to the Sheffield Hallam University campus)</td>
<td>38</td>
</tr>
<tr>
<td>Business 3 Solo (Male)</td>
<td>5 years</td>
<td>Study in the UK</td>
<td>Partner in high ended Chinese restaurant, product development manager and menu designer</td>
<td>Bachelor</td>
<td>Hospitality management</td>
<td>My aim is to identify the latest trend and to improve the menu and product design continuously. Our aim is to attract both local residents and international students. It is challenging but it is the key for our success.</td>
<td>38</td>
</tr>
<tr>
<td>Business 4 Solo (Male)</td>
<td>7 years</td>
<td>Study in the UK</td>
<td>Event and travel management company</td>
<td>Master</td>
<td>International business management &amp; Social science study (2 degrees)</td>
<td>The future plan is to make England as weeding destination for China market and provide honeymoon packages for Chinese couples. Our service will include wedding design, accommodation, travel and other hospitality service.</td>
<td>26</td>
</tr>
<tr>
<td>Business 5 Husband and wife</td>
<td>15 years</td>
<td>Study at Brighton university</td>
<td>Asian style café shop and bakery</td>
<td>Bachelor</td>
<td>Engineering and Architecture</td>
<td>My aim to make my local customers (more than 1000 followers at the moment) happy. I am working to provide more variety of Asian deserts and hope to attract more local customers.</td>
<td>35</td>
</tr>
<tr>
<td>Business 6 Solo (Male)</td>
<td>10 years</td>
<td>Study in Sheffield college</td>
<td>Japanese Restaurant</td>
<td>HND</td>
<td>Culinary art</td>
<td>The market is very competitive and I just want to improve our reputation further. The takeaway business is the key success for our growth, both for lunch and dinner. No immediate development plan at the moment, but will consider after two years.</td>
<td>26</td>
</tr>
<tr>
<td>Business 7 Solo (Male)</td>
<td>7 years</td>
<td>Study in Sheffield Hallam University and apply entrepreneur start-up visa</td>
<td>Pop-up Taiwanese restaurant</td>
<td>MPhil</td>
<td>Industry Design (Research on Aging population product design)</td>
<td>My current pop-up restaurant has attracted more and more local customers' every week, I have started to deliver cooking tutorial session to local residents' home kitchen through online booking and it is popular. My Birthday party catering service and providing food for event like Chinese New Year Party/Middle Autumn Festival to local communities including churches is growing. Whether to opening my own restaurant is really depending on how much time I can have.</td>
<td>38</td>
</tr>
<tr>
<td>Business 8 Two friends (Male)</td>
<td>11 years</td>
<td>Both to study in Nottingham University</td>
<td>Korean BBQ and recently opened hot pot Chinese style</td>
<td>Master</td>
<td>International business management</td>
<td>My goal is to manage well my two restaurants in Sheffield. The Korean BBQ restaurant is well managed and operated; the new authentic hotpot needs a lot of attention, since it just opened last year. There are potentials to fulfil in both places before we move further for new business development. Especially local customers need to be introduced to taste the new hotpot restaurant. It is very different from their previous dining experience. It takes time but we will achieve it!</td>
<td>29</td>
</tr>
</tbody>
</table>
## Table 1: socio-demographic characteristics of the interviewees (cont'd)

<table>
<thead>
<tr>
<th>Responder</th>
<th>Length of stay in the UK</th>
<th>Reason to come to the UK</th>
<th>Nature of business</th>
<th>Education level</th>
<th>Academic major</th>
<th>Plan for future</th>
<th>Age group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business 9 Husband and wife</td>
<td>6 years</td>
<td>Husband came as a chef, Wife studied English first and culinary art</td>
<td>Two Chinese style restaurants</td>
<td>HND</td>
<td>Culinary art</td>
<td>Our restaurant has been interviewed by local newspaper and is called 'the best hidden secret of restaurant in Sheffield', but the journalist suggested us to widen our audience. Our food is authentic and spicy! How to make local customers try be aware of our restaurant and try it - this is my new year plan! In the meantime, we plan to open new snack shop in the city centre next few months and bring new vending machine for food to go from China. We will find good partners to do it together.</td>
<td>35</td>
</tr>
<tr>
<td>Business 10 Three friends (Males)</td>
<td>12 years</td>
<td>All Three studied in Sheffield Hallam University, Coventry university or Nottingham University</td>
<td>Chinese style food and hot pot, Spicy food</td>
<td>Master</td>
<td>Marketing management</td>
<td>To survive in the very competitive restaurant market is not easy. My plan to be profitable and keep my customers satisfied. Many students come and many go each year, so I need to keep doing marketing and opening future shop will be in next two years if everything going well</td>
<td>38</td>
</tr>
<tr>
<td>Business 11 Husband and wife</td>
<td>7 years</td>
<td>Both came for study in Manchester and Sheffield Hallam University and now applied entrepreneurship visa</td>
<td>Japanese food</td>
<td>Master</td>
<td>Hospitality Management and International Business Management</td>
<td>We have no experience previously in hospitality business and this new restaurant business is a huge learning curve for us. We paid price to learn and it is not easy to break even for a period of time! We want to stabilize our business first and think about some related business later.</td>
<td>28</td>
</tr>
<tr>
<td>Business 12 Family</td>
<td>14 years</td>
<td>Study in Sheffield University</td>
<td>Seafood and Szechuan cuisine</td>
<td>PhD</td>
<td>Electronic Engineering</td>
<td>I came to the UK for my Ph.D. study and my wife is a housewife. After my graduation working as an academic staff, my wife has been operating the take-away restaurant and I will help in my spare time. I don't think we have energy to open new business in the new future, but the incomes from the restaurant really help the whole family. We will make it better loved by our local customers. This is my plan!</td>
<td>43</td>
</tr>
</tbody>
</table>